

## TOURISM INDUSTRY MODULE 7

Handout 7.2

### Case Study: Peru Treks & Adventure

Peru's tourism has expanded dramatically in the last two decades, due to increased safety, cultural, historical, and natural attractions, and major advertising in international marketing campaigns. Virtually all tourists who come to Peru travel to Machu Picchu in the Andes, and many hike all or part of the "Inca Trail" from Cuzco to Machu Picchu. In the late 1990's, *increasing numbers of tourists hiking the Inca Trail began to cause numerous environmental and social problems*, including a large amount of litter and human waste at unregulated campsites, damage to ruins and to the ancient stone steps of the trail, and negative impacts on the lives of local residents.

**Poor treatment of porters and cooks became a particular problem.** The majority of the porters on the Inca Trail are Quechua farmers from the surrounding countryside, who supplement their income by working on the Inca Trail. Their first language is Quechua, the language of the Incas, although many now speak Spanish as well. Many of their traditions and beliefs have remained unchanged since well before the Spanish arrived. The growth of mass tourism in and around Cuzco has been a powerful, and often disruptive, force for this native community. Exploitive porter treatment has included extremely low wages, excessive loads (often 50kg or more), and poor provisions on the trail, which passes through cold and rugged passes over 13,000 feet in altitude. Porters may not be able to afford appropriate footwear, clothing, food, or sleeping bags for these cold, high-altitude hikes.

The Peruvian government has taken strong measures to restore and maintain environmental quality along the Inca Trail, recognizing that the Trail is a major source of tourist revenue to Peru. *Tourist numbers on the Inca Trail are now strictly limited* by permits (now US \$73), which must be reserved well in advance in coordination with a local guiding company. Other measures include:

- · Tourist hikers are now required to travel with licensed guides
- · All hikers must sleep in certain designated camping sites
- · Campfires have been banned
- · Trail closure one month per year, or as necessary, for maintenance and litter removal
- Regular trail checkpoints to inspect permits, passport numbers, and porter burdens

The requirement that tourists travel with guides has led to an exponential increase in the number of companies offering guided tours, many of whom do not use sustainable tourism practices, particularly regarding treatment of local staff. The Peruvian government passed a "Porters' Law" in 2002 to limit porter burdens to 20kg and set minimum wages, but this law has been widely ignored. However, a few local tour operators have taken steps to improve the environmental and social aspects of tourism along the Inca Trail. One such company, **Peru Treks & Adventure**, has implemented several environmentally and socially responsible policies, including:

### 1. Fair treatment of local staff

Peru Treks & Adventure is locally owned and operated. The company takes particular care in the treatment of its trail staff. The owners state: "Providing good porter welfare is a complicated issue. It is not just a simple issue of paying higher wages; in our opinion *it is more about treating porters as human beings rather than beasts of burden*." Their practices include:

- Porter wages are ~20% above the average of local Inca Trail tour operators. Their daily income is comparable to that of a skilled tradesperson (such as a master carpenter) and is approximately four times higher than that of a local farmer.
- Porters are paid an additional 5% if they complete a <u>first-aid course</u> offered by a local NGO. In 2006, the company began offering another additional 5% to porters who complete an <u>environmental awareness course</u>. This not only helps the porters financially, but gives them valuable skills, helps disseminate those skills to the local community, and contributes to the porters' sense of professionalism and self-esteem.
- Porters carry a maximum of 20kg. (Required by law, but Peru Treks & Adventure enforces this limit strictly, weighing all porter burdens at the trailhead and insisting that tourists with excessively heavy bags either discard gear or hire an additional porter).



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- Porters are provided with a large tent with a waterproof floor for sleeping on the trail.
- Every porter is provided with good-quality walking shoes (porters pay 25% of the shoe cost), sleeping bags (free), and specially designed backpacks for porter loads (free)
- Full life/accident insurance for all porters (applicable year-round, not just while on the tour).

In several cases, the company has found ways to make *double use of supplies by giving them to porters after they have been used by tourists*. For example, a large waterproof tent is set up for tourist meals; at the end of dinner, the meal tent is swept, lined with a waterproof floor, and used as a porter sleeping tent. Similarly, high-quality sleeping bags are purchased regularly and rented to tourists who do not have their own bag. After a bag has been rented ten times, at which point the company has made a profit on the bag, it is donated to a porter.

#### 2. Environmental responsibility

Peru Treks trains all its trekking staff on Machu Picchu Sanctuary regulations and environmental awareness, takes care to remove all litter and trash, and uses clean-burning fuel to cook meals while on the Inca Trail. As mentioned above, staff are paid 5% more if they complete an environmental awareness course. Guides educate tourists in environmentally sound practices.

#### 3. Tourist education

Peru Treks offers an enormous amount of information on local culture, sustainability, environmental impacts, etc. to its clients, via its website, brochures, pre-tour information packets, and via the guides when along the trail. Tourists are encouraged to contribute to community projects (see below). The company also provides tourists with information on other hotels, tours, etc. elsewhere in Peru that meet the standards of sustainable tourism.

#### 4. Community donations & projects

Peru Treks & Adventure follows a dual strategy of both *donating some of its own funds to the community, and also encouraging its tourist clients to donate as well.* Projects include:

- School construction. The company's most ambitious community project has been construction of
  two local schools. In 2005, they donated all of the construction materials (US\$6000) and paid for
  skilled labor for construction of a school for 60 children. The local community provided the
  general labor. In 2006, Peru Treks & Adventure donated \$5000 for construction of a second
  school. The company hopes to build one school per year.
- Clothing donations. The company encourages tourists to bring extra clothing on their trip, to donate to the community. Peru Treks & Adventure collects the clothing at their main offices when tourists come to get final information before departure for the trail.
- **Donations of school materials** such as book, paper, paints, etc. The company donates some of its own profits to this project, and also encourages tourists to donate.
- Other good-will gestures to the community, including Christmas presents donated by tourists and distributed to community children, and sponsorship of community parties and soccer games.

#### 5. Finding clients who are willing to pay more for sustainability

Peru Treks & Adventure's operating expenses are slightly higher than other tour companies because of these practices. Yet the company is profitable. It charges a slightly higher fee to tourists for the Inca Trail hike, but at the same time it attracts clients who are willing to pay the higher fee for environmental and social responsibility.

**Peru Treks & Adventure markets itself heavily as a socially and environmentally responsible company.** For example, it includes an large amount of information on its website, which is updated regularly to include detailed articles about porter welfare and labor practices, updates on the school construction projects, and so on. The obvious care and attention that this tour operator gives to community welfare and sound environmental practices attracts those hiking clients who care about sustainability, and who are willing to pay a little more for it.